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## The New American Neutrality

BY RAYMOND LESLIE BUELL

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# The New American Neutrality

BY RAYMOND LESLIE BUELL

*with the aid of the Research Staff of the Foreign Policy Association*

CONFRONTED by war in Africa, the United States during the past few months has been attempting to work out a new "neutrality" policy. This policy was defined by President Roosevelt in his annual message of January 3, 1936 when he declared that the rôle of the United States should be "through a well-ordered neutrality to do naught to encourage the contest, through adequate defense to save ourselves from embroilment and attack, and through example and all legitimate encouragement and assistance to persuade other nations to return to the ways of peace and good will."

On the same day administration leaders introduced new bills to supplant the Neutrality Resolution of August 31, 1935. These bills no longer asked that the President be given power to discriminate against the aggressor state. They consequently were hailed as surrender by the administration to the isolationist point of view. Before discussing the new proposals, recent American policy toward the Italo-Ethiopian war will be reviewed.

## THE NEUTRALITY ACT OF AUGUST 24, 1935

Congressional interest in neutrality legislation first developed in March 1935, during the European crisis produced by Hitler's rearmament program in Germany. In the wave of anti-war sentiment which swept the country, more than a dozen bills and resolutions were introduced in the Senate and the House. Most of these measures renounced the traditional American doctrine of "freedom of the seas" and imposed mandatory embargoes on munitions and other war materials.<sup>1</sup>

Opposing the drastic features of these measures, Representative S. D. McReynolds, chairman of the Foreign Affairs Committee of the House, intro-

1. The most important bills were: H.J. Res. 259; S.J. Res. 120; S.J. Res. 100; and S.J. Res. 99.

duced a bill on August 17 reflecting the State Department view and giving the President discretion. Mr. McReynolds declared that he would not press for consideration of the measure until the next session. Disturbed at the possibility of postponing action at a time when the Italo-Ethiopian conflict was growing acute, several Senators threatened to filibuster unless Congress adopted neutrality legislation before its adjournment on August 24.

In a speech before the Senate, Mr. Clark declared that during the war, "in order for us to continue our trade in munitions and other supplies to belligerent nations, it became necessary for us to loan the nations the money with which to buy supplies, and the loans we made them were never paid back," and that "as a result of those loans and the policy then inaugurated, it later became necessary for us to expend billions of dollars in the prosecution of a war of our own...."<sup>2-3</sup>

On August 20—the day that Senators Bone and Nye threatened to filibuster—the Senate Foreign Relations Committee voted to report Senate Joint Resolution 173 as a substitute for the various neutrality measures which had been referred to the committee. On August 21 Senator Pittman asked unanimous consent to lay aside the Guffey Coal Bill to consider the neutrality measure. The Pittman resolution was adopted by acclamation after a brief debate.<sup>4</sup>

Although Chairman McReynolds of the House Committee at first opposed the Senate bill, a delegation of Congressmen including six Democrats, six Republicans and one Progressive waited on the President to inform him that a majority of the House favored the Pittman resolution and would adopt it if the Rules Committee and Chairman McReynolds did not stand in the way. Threatened by a filibuster in the House, President Roosevelt finally proposed a temporary compro-

2-3. *Congressional Record*, August 20, 1935, p. 14245.

4. *Ibid.*, August 21, 1935, p. 14393.

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mise.<sup>5</sup> On August 22 the House Committee on Foreign Affairs<sup>6</sup> voted out a measure which limited the provisions with regard to a mandatory embargo until February 29, 1936, or two months after the opening of the next session of Congress.

In the debate on the amended bill in the House on August 23, fear was expressed that war in Europe was about to break out. Congressman Maverick of Texas declared:

"Looking at the newspapers today, we see a situation which is one of the most serious that the world has ever known. It is similar to the World War, probably worse." After quoting Mussolini's statement that Italy was on the march and could be stopped by no one, Mr. Maverick added: "Caesar talk. And some one may think that I, as an old soldier, think this 'march' talk is all glory, flags, and bugles. Like hell! I say that literally. All I can think of is blood, guts, rotting, stinking bodies, mud . . . We should not delegate the power to the President of the United States. If the President is delegated optional power to declare embargoes, why he is, in effect, given the power to declare war."

Other speakers declared that to grant such power would make the President a dictator.<sup>7</sup> After a 30-minute debate, the House adopted by acclamation Senate Joint Resolution 173 as amended by the House Committee. On August 24 the action of the House was confirmed in the Senate. Senator Robinson, Democratic Floor Leader, declared:

"There is, in my humble opinion, no spot on this broad continent, no place under the Stars and Stripes, where there is any substantial measure of sympathy in this nation becoming involved in a European conflict . . . If any European nation is proceeding on the theory that this Government or its resources, either of man power or wealth, will contribute to the adjustment of European controversies, other than by peaceful suggestion or action, that nation is being misled."

Senator Hiram Johnson, while minimizing the prospect of being drawn into war or the usefulness of neutrality legislation, declared:

"After seventeen years of suffering in this regard . . . it is delightful now finally to find justification of the men, very few, who stood firmly for maintaining America in America's security and in America's pristine glory and keeping out of every foreign entanglement and every European war . . . The joint resolution makes plain the policy of the United States of America to keep out of European controversies, European wars, and European difficulties. So today is the triumph of the so-called 'isolationists,' and today marks

5. *New York Times*, August 22, 1935.

6. Four Republicans voted in favor of a permanent embargo.

7. *Congressional Record*, August 23, 1935, p. 14647.

the downfall, although we may not know it, of the internationalist . . . who would take us into European troubles and into European difficulties and foreign organizations dealing with foreign controversies."<sup>8</sup>

Senator Connally agreed to vote for the neutrality measure as a temporary device, but said:

"That is a form of declaration which announces that the United States will take the side of the strong and the powerful against the weak, unprepared, and the defenseless. . . . The surest way to involve this country in war is to let the rest of the world believe that we will fight under no circumstances at all . . . It is the President's function to conduct our international affairs. The history of the world demonstrates that never, in all the long years of strife and struggle, has a parliamentary conduct of international affairs been successful . . . I cannot . . . subscribe to the doctrine that we should in advance, by statute, put ourselves in a plaster cast internationally, and give up whatever international influence America possesses toward peace and toward the pacification of disputes throughout all the world."

The Pittman resolution, as amended by the House, was then adopted by a vote of 77-2, Senators Bankhead and Gerry, both Democrats, voting in the negative.

The Neutrality Resolution of August 31, 1935 provided for:

1. A supposedly mandatory embargo on the export of "arms, ammunition, and implements of warfare" to all belligerents—a provision which expires on February 29, 1936.
2. A system of registration of munitions manufacture and of licensing of munitions exports under supervision of a National Munitions Board, composed of the Secretary of State, Secretary of the Treasury, Secretary of War, Secretary of the Navy, and Secretary of Commerce?
3. Delegation of power to the President:
  - a. To withhold protection from American citizens traveling on any vessel of any belligerent nation "whenever, during any war in which the United States is neutral, the President shall find that the maintenance of peace between the United States and foreign nations, or the protection of the lives of the citizens of the United States, or the protection of the commercial interests of the United States, or its citizens, or the security of the United States, requires that
8. *Ibid.*, August 24, 1935, p. 14905, 14608.
9. The original Pittman resolution also provided that the chairmen of the Senate Foreign Relations Committee and the House Committee on Foreign Affairs should be members of this Board, but this proposal to share executive power with the legislative representatives was not adopted in the final law.

the American citizen should refrain from traveling as passenger" on such vessels;

- b. To prohibit the entrance of any foreign submarine during war into American ports or territorial waters except under conditions prescribed by the President;
- c. To require bond of vessels suspected of leaving an American port for the purpose of delivering up to any belligerent warship or supply ship, men or fuel, munitions or other supplies.

In signing the Neutrality Bill on August 31 President Roosevelt declared that while "the purpose is wholly excellent," the arms embargo "section requires further and more complete consideration between now and" February 29. Its provisions, he thought, were too inflexible.<sup>10</sup>

#### THE UNITED STATES AND THE WORLD WAR

The authors of the Neutrality Act apparently believed that in the past the United States had become involved in wars because of its efforts to protect trade with belligerents. Admitting that the bankers and industrialists brought no direct pressure on Congress,<sup>11</sup> numerous critics declared that American opinion was unconsciously influenced by the fact that this country's industry and agriculture had secured large profits from sales to the Allies, and that had these sales come to an end, the United States would have suffered severe economic depression.<sup>12</sup> Woodrow Wilson's official biographer has recently expressed the belief that it was the traffic in war materials which made it impossible for the United States to keep out of war "by the diplomacy of neutrality."<sup>13</sup>

Some Americans who took a prominent part in the war deny that our participation was in any way motivated by the pressure of commercial or

10. Department of State, *Press Releases*, August 31, 1935.

11. On December 8, however, Father Coughlin declared that the Federal Reserve Banks "drove America into the World War to secure the credit of the British Empire." *New York Times*, December 9, 1935.

12. In support of this view is cited Ambassador Page's cable of March 5, 1917, *U. S. Foreign Relations, 1917* (Washington, Government Printing Office, 1932), Supplement 2, Vol. I, p. 516; also Secretary Lansing's letter of September 6, 1915 to the President, stating that the result of the cessation of European buying "would be restriction of outputs, industrial depression, idle capital and idle labor, numerous failures, financial demoralization, and general unrest and suffering among the laboring classes," For the text, cf. *New York Times*, August 19, 1935, and Charles Seymour, *American Neutrality, 1914-1917* (New Haven, Yale University Press, 1935), p. 100. For this general point of view, cf. C. Hartley Grattan, *Why We Fought* (New York, Vanguard, 1929), p. 162; and Walter Millis, *The Road to War* (New York, Houghton Mifflin, 1935), p. 336.

13. Ray Stannard Baker, *Woodrow Wilson, Life and Letters, Neutrality 1914-1915* (New York, Doubleday Doran, 1935), Vol. V, p. 181 ff.

financial interests. Thus former Secretary of War Newton D. Baker declares that "no industrialist or banker ever expressed such an opinion to me and I never heard from my official associates that any such opinion had been expressed to them . . . . None of us ever heard the fable, which is now the gospel of the uninformed, that we ever had the slightest concern about the foreign loans of bankers or the industrial ambitions of the few American munition making companies."<sup>14</sup> Mr. Thomas W. Lamont of J. P. Morgan & Co. similarly declares such charges to be "so absurd and unwarranted as to be ridiculous."<sup>15</sup>

According to several Yale historians, the real reason for the entrance of the United States into the war was the refusal of the American people to acquiesce in the German submarine campaign.<sup>16</sup> Still others believe that the United States went to war because it would not tolerate the defeat of European democracies by imperialist Germany. In a memorandum of July 11, 1915, prepared for his own guidance, Secretary of State Lansing wrote:

"I have come to the conclusion that the German Government is utterly hostile to all nations with democratic institutions because those who compose it see in democracy a menace to absolutism and the defeat of the German ambition for world domination . . . . Germany must not be permitted to win this war or to break even, though to prevent it this country is forced to take an active part. This ultimate necessity must be constantly in our minds in all our controversies with belligerents."<sup>17</sup>

To this belief that the Anglo-Saxon basis of American civilization would be threatened by a German victory, were added widespread indignation at Germany's invasion of Belgium and German acts which shocked American opinion, such as the sinking of the *Lusitania* and the execution of Edith Cavell. There was also growing fear, at least on the Eastern seaboard, that should Germany win the war, the United States as well as Latin America might be endangered. Finally, American

14. *New York Times*, November 13, 1935.

15. Thomas W. Lamont, *Henry P. Davison: The Record of a Useful Life* (New York, Harper, 1933), p. 187.

16. Seymour, *American Neutrality, 1914-1917*, cited, p. 171; also Samuel Flagg Bemis, "A Clarifying Foreign Policy," *The Yale Review*, Winter, 1936, p. 225.

17. *War Memoirs of Robert Lansing* (Indianapolis, Bobbs Merrill, 1935), p. 19. In denying that business interest determined the pro-Allied sentiments of the Morgan partners, Mr. Thomas W. Lamont recently declared: "Like most of our contemporaries and friends and neighbors, we wanted the Allies to win, from the outset of the war. We were pro-ally by inheritance, by instinct, by opinion, and so were almost all the people we knew on the Eastern seaboard of the United States, from the moment Germany violated Belgium's neutrality." *New York Times*, October 18, 1935.

opinion was influenced by British propaganda, which was far superior to that of Germany in its knowledge of Anglo-Saxon psychology and could emphasize German imperialism and German misconduct while concealing Allied war aims and violations of international law.<sup>18</sup> If the World War is to be regarded as a precedent, the American people can be certain of keeping out of a new conflict only if they become completely indifferent to events outside of their national frontiers.<sup>19</sup>

The Neutrality Act of 1935 attempted to remove only the economic factors which may indirectly influence the attitude of Americans. It had no bearing on the strictly political causes which may involve the United States in conflicts with other nations. As far as removing possible controversies over neutral rights is concerned, the Neutrality Act contained only two main provisions. The first specified that the President should impose an embargo on export of "arms, ammunition, or implements of war" on the "outbreak or during the progress of war between or among two or more foreign states." The embargo should apply to such belligerent states or to any neutral port for transhipment to or for the use of a belligerent country. The second authorized the President to withhold protection from American citizens traveling on any belligerent vessel in time of war.

From the isolationist point of view, the act was defective in that it did not prohibit the extension of credits or loans to belligerent governments,<sup>20</sup> was silent regarding Americans traveling in war zones on American vessels, and imposed no restrictions on Americans wishing to travel on belligerent merchant vessels at their own risk. An even greater omission was that it did not expressly authorize the President to impose any embargoes on the export of raw materials, although these might be even more important to belligerents than munitions proper. Neither did the Act authorize the President to impose an arms embargo before hostilities actually came into existence. For example, during the first few days of October, before the issuance of the President's proclamation, Italy purchased aircraft materials valued at \$200,919, in comparison with purchases of \$4,081 in October of the previous year—an increase of 5,000 per cent.<sup>21</sup> Despite the desire for a "mandatory embargo," the

Neutrality Act gave the President a high degree of discretion in imposing an arms embargo since he could declare it either "upon the outbreak" or "during the progress of war." Moreover, he was under no obligation to extend the embargo to states subsequently entering a war. For example, should Britain be drawn into the Italo-Ethiopian conflict, the President could have allowed export of arms to England.<sup>22</sup>

#### AMERICAN POLICY BEFORE OUTBREAK OF ITALO-ETHIOPIAN WAR

Before Congress had initiated its debate on the neutrality issue, the question of American policy toward war was raised on July 3, when the Emperor of Ethiopia formally asked the United States to examine means of securing observance of the Anti-War Pact. Without waiting for arrival of the Emperor's note in Washington, President Roosevelt rejected his appeal, assuming an attitude of aloofness toward the threatened conflict. In a formal reply the State Department declared it was "gratified" that the League of Nations had given attention to the controversy and added that "it would be loath to believe" that either of the two governments "would resort to other than pacific means as a method of dealing with this controversy or would permit any situation to arise which would be inconsistent with the commitments of the Pact." On July 6 it became known that the State Department had advised all American citizens in Ethiopia, numbering 125—most of whom were missionaries—to leave the country.<sup>23</sup>

The rebuff administered to Emperor Haile Selassie by President Roosevelt was in striking contrast to the policy followed by President Hoover in the Sino-Japanese dispute. Between September 1931 and January 1932 the State Department sent nine communications to the parties urging them not to violate their obligations under the Anti-War Pact and the Nine Power Treaty, five of which were addressed to the Japanese government alone. On October 5 the government declared to the League Council that "the American government, acting independently through its diplomatic representatives, will endeavor to reinforce

18. J. Duane Squires, *British Propaganda at Home and in the United States from 1914 to 1917* (Cambridge, Harvard University Press, 1935), p. 65.

19. Cf. Walter Millis, "Never Again?" *Today*, September 28, 1935.

20. The Johnson Act of April 13, 1934, however, already prevented the Italian government from borrowing in the United States since it was in default on its war debt.

21. *Department of Commerce Release*, November 23, 1935.

22. The Neutrality Act declared "the President may, from time to time, by proclamation, extend such embargo . . . to other states as and when they may become involved in such war."

23. State Department, *Press Releases*, July 6, 1935, p. 29. Mr. T. A. Lambie, field director of the Ethiopian mission, cabled 50 missionaries to remain at their posts, saying "we put our faith in God and do not expect consular protection." *New York Times*, July 7, 1935. In October there were still 115 Americans in the country. *Ibid.*, October 11, 1935.

what the League does." In October the American Consul in Geneva, Mr. Gilbert, participated in four meetings of the League Council as the official representative of the United States. On February 25, 1932, the day following adoption of the League Assembly report on the Sino-Japanese dispute, Secretary Stimson declared in a communication to the League: "In the light of its findings of fact, the Assembly of the League has formulated a measured statement of conclusions. With those conclusions the American government is in general accord. . . ."<sup>24</sup> In March Secretary Hull instructed the American Minister to Switzerland, Mr. Wilson, to participate in the deliberations of the League Advisory Committee, but without the right to vote. At the same time the State Department declared that "the dictates of common sense call for consultation with free and frank discussion among the nations."<sup>25</sup>

Perhaps the most rigorous application of the Anti-War Pact was made on January 25, 1933, when Secretary of State Stimson urged the Peruvian government to accept a Brazilian formula for settlement of its dispute with Colombia and declared that Peru would violate the Anti-War Pact if it gave armed support to the illegal occupation of Leticia.<sup>26</sup> Secretary Hull also authorized Mr. Wilson to participate in the deliberations of the League Advisory Committee dealing with the Leticia dispute, but without the right to vote.

The Roosevelt administration apparently did not feel in a position to apply past precedents to the case of the Ethiopian war because of the increased desire for isolation expressed by the American Congress, the grave situation in Europe, and the absence of American interests in Ethiopia. Except for the July 5 note to Ethiopia and informal conversations with the Italian Ambassador to Washington, it does not appear that the State Department addressed any diplomatic communications to either belligerent admonishing it not to violate the Anti-War Pact, although a number of statements were issued to the press on this general subject. The United States was not invited to serve on any League committees, nor did the American government "consult" with other powers under the Anti-War Pact, as it had in previous controversies.

Nevertheless, the record shows that the Roosevelt administration was not unconcerned by events in Europe and Africa. Following wide-

24. State Department, *Press Releases*, February 25, 1935.

25. R. M. Cooper, *American Consultation in World Affairs* (New York, Macmillan, 1934), p. 272.

26. Department of State, *Press Releases*, January 28, 1933.

spread criticism of President Roosevelt's rejection of the Ethiopian appeal, Secretary of State Hull on July 10 informed the Italian Ambassador that although the United States was not familiar with the facts or merits of the dispute

"we are deeply interested in the preservation of peace in all parts of the world and we are particularly interested in those international arrangements designed to effect the solution of controversies by peaceable means. Being convinced that world progress and economic recovery are urgently in need of peaceful conditions, particularly at this time, we feel impelled to impress upon the Italian Ambassador our increasing concern over the situation arising out of Italy's dispute with Ethiopia and our earnest hope that means may be found to arrive at a peaceful and mutually satisfactory solution of the problem."

The next day the Secretary of State informed the British and French Ambassadors that press reports to the effect that the American government had abandoned the Anti-War Pact in its reply to the Emperor of Ethiopia was "entirely contrary" to the sense of that note. At his press conference the Secretary declared that the United States was "deeply concerned about the preservation of peace in every part of the world." On July 12 the Secretary formally stated: "The Pact of Paris is no less binding now than when it was entered into by the 63 nations that are parties to it. By form and designation it constitutes a treaty by and among those nations. . . ."<sup>27</sup>

Meanwhile, members of the League, confronted by the breakdown of the Ual Ual arbitration proceedings,<sup>28</sup> decided to hold a meeting of the League Council on July 31. Mr. Roosevelt issued a statement at the time in which, after referring to the meeting of the League Council, he expressed "the hope of the people and the government of the United States that an amicable solution will be found and that peace will be maintained." During August the State Department reiterated this hope to several foreign governments by telegram.

On August 7 the Export-Import Bank, a government institution, announced that it could not extend credits to cover the export of any commodities which "looked like munitions," and consequently had held up applications by American exporters to cover certain cotton exports to Italy.<sup>29</sup>

27. Cf. statement of the Secretary of State, *State Department, Press Releases*, July 13, 1935, p. 53.

28. William Koren, Jr., "Imperialist Rivalries in Ethiopia," *Foreign Policy Reports*, September 11, 1935.

29. *New York Times*, August 8, 1935.

## THE RICKETT OIL CONCESSION

Just before the League Council meeting on September 4 the international situation was further complicated by the announcement that the Ethiopian government had granted a huge oil concession to Francis M. Rickett, a British promoter, on behalf of the African Exploration and Development Company, a Standard Oil subsidiary—in which originally it was believed British capital was also interested.<sup>30</sup> Under this concession foreign oil interests received the right to exploit oil and mineral resources for 75 years over an area of 150,000 square miles covering half of Ethiopia. This concession was granted by the Emperor, apparently in the belief that it would give Britain and the United States a stake in Ethiopia which would cause them to oppose Italian aggression for reasons of self-interest. American oil officials in the United States at first denied any knowledge of the concession.<sup>31</sup>

On September 3 Secretary Hull, formally repeating his statement of August 31, declared that the government had not been consulted or informed in any way before the reported concession was made and that the administration's policy toward this dispute would be maintained regardless of the transaction.<sup>32</sup> On the same day Mr. George S. Walden and Mr. H. Dundas, officers of the Standard Vacuum Oil Company, called at the State Department and declared that their company was the owner of the oil concession which had been awarded to their subsidiary, the African Exploration and Development Company,<sup>33</sup> and had authorized Mr. Rickett to negotiate the concession early in the year. They asked the Department's advice on the situation created by the grant. In reply they were informed that the concession "had

30. *Ibid.*, August 30, 1935; *New York Herald Tribune*, August 31, 1935.

31. *New York Herald Tribune*, August 31, 1935. An article in the *New York Times* of September 4 stated: "in spite of the insistence of Emperor Haile Selassie of Ethiopia that he had given a concession to the Standard Oil interests to develop the eastern half of his country, the officials of the Standard Oil Company of New Jersey and the Standard Vacuum Oil Company have steadfastly denied since last Friday that they were interested in or had any knowledge of the deal." Cf. also *ibid.*, September 3, 1935. On September 5 Mr. Walden, chairman of the Standard Vacuum Oil Company, declared that his organization did not know that the concession had been obtained until after it had been reported in the press. *Ibid.*, September 5, 1935.

32. He indicated that the policy of supervising foreign loans had been abandoned. *New York Times*, September 1, 1935.

33. The ownership of the company was concealed through the use of dummy incorporators. The Standard Vacuum Oil Company was formed in September 1933 by the consolidation of the foreign properties of the Socony Vacuum Oil Company and the Standard Oil of New Jersey. *New York Herald Tribune*, September 4, 1934; *New York Times*, September 4, 1935.

been the cause of great embarrassment not only to this Government but to other governments who are making strenuous and sincere efforts for the preservation of peace," and that "it was highly desirable that the necessary steps should be taken at the earliest possible moment to terminate the present concession." The company then informed the Department that it had decided to withdraw from the concession. In a statement to the press the company declared that "the matter was handled in the regular course of business as a private transaction with Ethiopia, but without consultation with any other government."<sup>34</sup> Thus, as a result of intervention by the State Department, the embarrassment caused by the Rickett oil concession was removed. On September 4 President Roosevelt declared at Hyde Park that cancellation of this concession was "another proof that since March 4, 1933, dollar diplomacy is no longer recognized by the American government."<sup>35</sup>

On September 13—two days after Sir Samuel Hoare's historic speech to the League Assembly—Secretary of State Hull, after recalling his previous declarations, again asked "those countries which appear to be contemplating armed hostilities that they weigh most solicitously the declaration and pledge given in the Pact of Paris, which pledge was entered into by all the signatories for the purpose of safeguarding peace and sparing the world the incalculable losses and human suffering that inevitably attend and follow in the wake of wars."

## MUNITIONS CONTROL

Having disposed of the Rickett oil concession, the State Department now turned to the creation of machinery for munitions control as provided under the Neutrality Act. On September 21 it established an office of Arms and Munitions Control, charged with the duty of registering arms manufacturers and the issuance of export licenses.<sup>36</sup> Following a meeting of the National Munitions Control Board, composed of the Secretaries of State, Treasury, War, Navy and Commerce, the President issued a proclamation on September 25 defining six categories of arms, ammunition and implements of war, including all airplanes and aircraft engines, but not including black powder or any raw materials. All manufacturers producing such categories were required to register by

34. State Department, *Press Releases*, September 7, 1935, p. 15.

35. *New York Times*, September 5, 1935.

36. State Department, *Press Releases*, September 21, 1935, p. 111.

November 29, when the licensing of exports was to go into effect.<sup>37</sup>

As the prospect of Italo-Ethiopian hostilities increased, the Roosevelt administration was obliged to choose between two courses: either to await action by the League powers, or to decide for itself whether the outbreak of hostilities constituted "war." If the United States adopted an independent course, it incurred the risk of arousing Italy's anger by condemning as acts of war measures which neither Italy nor the League might regard as war-like. Yet if it waited for a League decision, it might place itself in the position of "cooperating" with the League—a position the administration regarded as inadvisable both because of domestic politics and the widespread demand for "neutrality."

#### AMERICAN POLICY AFTER THE OUTBREAK OF WAR

Speaking at San Diego on October 2, President Roosevelt declared that "despite what happens in continents overseas, the United States of America shall and must remain, as long ago the father of our country prayed that it might remain, unentangled and free. . ."<sup>38</sup> On the next day Italian troops launched hostilities against Ethiopia, and the League Council was convened for October 7 to decide whether Italy was the aggressor. In anticipation of League action, the President on October 5 issued a proclamation which, after reciting the provisions of the Neutrality Act, declared that a state of war unhappily existed between Ethiopia and Italy, and established an export embargo as against both belligerents on the six categories of arms and implements of war previously specified in connection with registration. In issuing this proclamation the President stated: "We are now compelled to recognize the simple and indisputable fact that Ethiopia and the Italian forces are engaged in combat, thus creating a state of war within the intent and meaning of the joint resolution." This definition, declaring acts of force to be war—which the League subsequently accepted—was regarded as of great importance. For it seemed to adopt the view that "war" covers not only formal hostilities but lesser acts of force.<sup>39</sup>

37. *Ibid.*, September 28, 1935. The State Department refused to license the export of two Red Cross planes and motor trucks for humanitarian work in the war zone—a decision denounced by American missionaries as "inhuman." *New York Herald Tribune*, October 22, 1935.

38. *Ibid.*, October 12, 1935.

39. On this point, cf. R. L. Buell, "The Weakness of Peace Machinery," *Foreign Policy Reports*, September 14, 1932.

Going beyond the terms of the Neutrality Act, the President declared that "in these specific circumstances I desire it to be understood that any of our people who voluntarily engage in any transactions of any character with either of the belligerents do so at their own risk."<sup>40</sup>

The President issued a second proclamation on October 5, admonishing "all citizens of the United States to abstain from traveling on any vessel of either of the belligerent nations" and giving notice that any citizen thus traveling "contrary to the provisions of the said Joint Resolution will do so at his own risk."<sup>41</sup>

By these proclamations the President, for the purpose of the Italo-Ethiopian dispute and in accordance with the spirit of Congress, seemed to abandon the previous policy of the United States with regard to neutral rights and freedom of the seas. The official policy was inspired by the two-fold desire first, to keep the United States from being involved in the war and second, to shorten its duration. League members could now proceed to blockade Italy without fear that the American navy would challenge such a blockade. Nevertheless, as events were to show, League states feared that establishment of a blockade might produce widespread hostilities. They hoped to check Italian aggression not by resorting to such extreme measures, but rather by stopping at the source the export to Italy not only of munitions but of certain key raw materials. These measures would be defeated, however, if the United States allowed unrestricted shipment of such materials. Consequently, Washington's failure to restrict raw materials might cause League members to proclaim a blockade and produce a state of war which might otherwise be avoided.

Apparently aware of this danger, and anxious to prevent abnormal war trade, Secretary of State Hull declared on October 10 that while there was no legal prohibition against transactions with belligerents apart from arms exports, the President's warning was "based upon the policy and purpose of keeping this country out of war" and "it certainly was not intended to encourage transactions with belligerents."<sup>42</sup>

40. State Department, *Press Releases*, October 5, 1935, p. 255. The President had the power to withdraw such protection by virtue of his general control over foreign policy.

41. Released October 6. State Department, *Press Releases*, October 5, 1935, p. 256. It was intimated in Washington that with these three steps the President had exhausted his authority to keep the United States from becoming involved in this controversy and to prevent American interests from prolonging the war.

42. State Department, *Press Releases*, October 12, 1935, p. 304. At the same time Mr. Hull instructed his executive assistant,

The Roosevelt administration, anxious to avoid any official contact with the League, was confronted with a new problem on October 21 when the president of the League Coordination Committee officially transmitted to non-member states the documentation covering League action in the Italo-Ethiopian dispute, and stated that the Committee would welcome any communication from non-member states or "notification of any action which it may be taking in the circumstances."<sup>43</sup> After discussing the matter with the Cabinet, Secretary Hull dispatched an answer on October 27 declaring that the United States was "deeply interested in the prevention of war and hence the sanctities of treaties and the promotion of peace in every part of the world. . . ." With regard to the Ethiopian dispute, the United States had "put forth every practical effort to aid in the preservation of peace, through conferences, official acts, diplomatic communications and public statements, and emphasized particularly the principles of the Pact of Paris." After summarizing the four steps taken by the President, Secretary Hull reiterated his statement discouraging transactions with the belligerents. The course thus pursued "in advance of action by other governments. . . . represents the independent and affirmative policy of the Government of the United States and indicates its purpose not to be drawn into the war and its desire not to contribute to a prolongation of the war. . . ." Realizing that war adversely affects every country, the United States undertook "at all times to not only exercise its moral influence in favor of peace throughout the world, but to contribute in every practicable way within the limitations of our foreign policy to that end. It views with sympathetic interest the individual or concerted efforts of other nations to preserve peace or to localize and shorten the duration of war."<sup>43a</sup>

#### "MORAL PRESSURE"

As the question of additional sanctions was taken up at Geneva, and as American exports to Italy continued to increase, President Roosevelt and Secretary Hull issued further warnings on October 30. The President declared:

"in the course of war, tempting trade opportunities may be offered to our people to supply materials which would prolong the war. I do not believe that the American people will wish for abnormally increased profits that temporarily might be secured by greatly

Hugh S. Cumming, then in Europe, to proceed to Geneva and assist the American Consul there in following the League situation. *New York Times*, October 11, 1935.

43. State Department, *Press Releases*, November 2, 1935, p. 336.

43a. *Ibid.*, pp. 336-38.

extending our trade in such materials; nor would they wish the struggles on the battlefield to be prolonged because of profits accruing to a comparatively small number of American citizens. Accordingly the American government is keeping informed as to all shipments consigned for export to both belligerents."

The President told newspaper men that he had advised manufacturers not to fill orders from Italy. Commentators declared that this warning was intended "to discourage all United States trade with Italy."<sup>44</sup>

Secretary Hull, after calling special attention to previous warnings issued by himself and the President, and to the government's policy of discouraging dealings with the two belligerents, declared:

"it is my opinion that our citizens will not be disposed to insist upon transactions to derive war profits at the expense of human lives and human misery. In this connection I again repeat that an early peace, with the restoration of normal business and normal business profits is far sounder and far preferable to temporary and risky war profits."<sup>45</sup>

Apparently impressed by the American policy of discouraging general exports, the League Coordination Committee on November 6 adopted a proposal introduced by the Canadian representative, Dr. W. A. Riddell, to the effect that petroleum and its derivatives, coal, gas, iron and steel be added to the embargo list against Italy, with a proviso that it should not enter into force "until conditions for rendering it effective appear to be realized," apparently making the embargo dependent on similar action by Germany and the United States.

In a radio address of November 6, Secretary Hull warned against placing too much stress on "the embagoing of the shipment of arms, ammunition and implements of war. The shipment of arms is not the only way and, in fact, is not the principal way by which our commerce with foreign nations may lead to serious international difficulties."<sup>46</sup> In his Armistice Day address, the President declared that while "we cannot and must not hide our concern for grave world dangers, and while, at the same time, we cannot build walls around ourselves and hide our heads in the sand, we must go forward with all our strength to stress and to strive for international peace."<sup>47</sup> To achieve these ends, the United States believed in "adequate defense."

44. *New York Times*, November 1, 1935.

45. State Department, *Press Releases*, November 2, 1935, p. 338.

46. *Ibid.*, November 9, 1935, p. 368.

47. *Ibid.*, November 16, 1935, p. 376.

The strongest warning issued against developing war trade came on November 15, when Secretary Hull declared:

"The American people are entitled to know that there are certain commodities such as oil, copper, trucks, tractors, scrap iron, and scrap steel which are essential war materials, although not actually 'arms, ammunition, or implements of war,' and that according to recent government trade reports a considerably increased amount of these is being exported for war purposes. This class of trade is directly contrary to the policy of this Government, as announced in official statements of the President and Secretary of State, as it is also contrary to the general spirit of the recent neutrality act. The administration is closely observing the trend and volume of exports to those countries and within a few days the Department of Commerce expects to have complete detailed lists of all commodities exported to the belligerents, which will enable exact comparison with lists for the same period last year."<sup>48</sup>

Although this statement indicated a determination to strengthen pressure against the export of raw materials, the government for the first time definitely declared that raw materials were not implements of war, and hence could not be legally embargoed. On November 18 dispatches indicated that the State Department was now making a distinction between "normal" and "abnormal" trade with Italy.<sup>49</sup> Three days later Secretary Ickes, acting as Petroleum Administrator, stated that domestic producers should "keep the spirit and letter" of the Neutrality Act by refusing to sell "oil and war materials to Italy."<sup>50</sup> He admitted, however, that he had no authority whatsoever to regulate oil exports. Two days later it was revealed that the Shipping Board Bureau of the Department of Commerce had sent a letter to all the commercial ship lines indebted to the Federal government—there being between 200 and 300 outstanding loans—declaring that "the carrying of essential war materials, such as those mentioned in the statement of the Secretary of State on November 15, destined for either of the belligerents is distinctly contrary to the policy of the government." The Shipping Board Bureau, moreover, prohibited the breaking up of any American vessel in which it had an interest to obtain scrap for export to Italy. It also prevented the tanker *Ulysses* from sailing with 12,000 tons of oil to Italy, under a contract made with the Italian naval attaché on October 24, by threatening to foreclose the Federal mortgage on the ship.<sup>51</sup> Secretary Perkins, joining other Cabinet officers, expressed the view that labor ar-

48. *Ibid.*, p. 382.

49. *Christian Science Monitor*, November 19, 1935.

50. *New York Times*, November 22, 1935.

bitrators would support the stand of union laborers at San Pedro who had struck against a ship carrying war materials to belligerents.<sup>52</sup> As a result of these warnings and the veto exercised by the Federal shipping authorities, it was first believed that the administration wished to stop all trade with Italy. The government certainly made it clear that it did not wish American exporters to capture Italian trade renounced by League members.

But at this point American policy became more cautious. First, Mussolini began to threaten that imposition of an oil embargo including the policy of "moral pressure" would be regarded by Italy as an act of war;<sup>53</sup> second, France and Britain on November 24 decided to ask the League to postpone action on the proposed oil embargo. This decision made a bad impression in the United States.

Postponement of Geneva action, however, gave the State Department an opportunity to reiterate that its policy did not depend in any way on that of the League, but was dominated by the purpose of keeping the United States out of war and preventing the growth of war profits. The Department made it clear that it did not intend to interfere with "normal" trade between the United States and Italy, but with swollen exports arising out of war demands. On December 3 Secretary Ickes declared that his statement of November 21 concerning an embargo, did not refer to "oil" but rather to "munitions."<sup>54</sup> Since he was speaking in his capacity of Petroleum Administrator and with reference to oil companies, this belated disavowal served to deprive his original statement of all meaning, and led to the belief that the administration had weakened in its desire to reduce oil shipments. Rome expressed pleasure with Mr. Ickes' new statement, declaring that the United States was showing "true neutrality."<sup>55-56</sup>

51. *Ibid.*, November 27, 1935; *Christian Science Monitor*, November 23, 1935; also *New York Herald Tribune*, November 24, 1935. This type of pressure did not affect ships under foreign registry nor tankers owned by large oil companies not indebted to the government.

52. This was the *S.S. Oregon*, which had offered its crew a bonus of 50 per cent. When the strike took place, the ship sailed with a non-union crew and 36,000 drums of gasoline for Italian Somaliland. *New York Herald Tribune*, November 23, 1935; *ibid.*, November 26, 1935.

53. *Christian Science Monitor*, November 25, 1935; *New York Times*, November 29, 1935.

54. *New York Times*, December 4, 1935.

55-56. The report on December 3 that the Italian government had made an arrangement with American oil companies to evade the proposed embargo was denied. *New York Times*, December 5, 1935.

On December 7, Italian planes bombed an American hospital at Dessye, Ethiopia, marked with the Red Cross and American flags, but the State Department made no protest, asserting that

## SUMMARY OF ROOSEVELT POLICY

The policy of the Roosevelt administration during the Ethiopian war may be summarized as follows:

1. A warning to Americans issued prior to hostilities that they should leave Ethiopia.
2. The immediate imposition of an arms embargo on both belligerents.
3. A warning to Americans not to travel on belligerent merchant vessels except at their own risk.
4. A warning that any transactions with belligerents would not receive the protection of the government.
5. Inducing Standard Oil interests to surrender an oil concession which might have involved the United States in the war.
6. "Moral pressure" accompanied by positive action of government agencies such as the Export-Import Bank and the Shipping Board Bureau to stop trade in non-embargoed goods destined to Italy, or at least to keep it at "normal" levels.
7. Abandonment of the Hoover policy of "consulting" with other powers and of official representations to the belligerents not to violate the Anti-War Pact.
8. The slowing-up of "moral pressure" on non-embargoed goods when the League failed to act on the oil embargo.

Had the Neutrality Act not been in force, the administration would not have had any authority to impose an arms embargo, and it is doubtful whether it would have openly renounced the rights of Americans on the high seas or have brought "moral pressure" to restrict exports.

In at least two respects it was open to the Roosevelt administration to have gone even further. Thus it could have legally interpreted the term "implements of war" to include raw materials necessary for war operations; it did not do so, apparently because of the virtual pledge given the Senate by Senator Pittman that this term did not include such materials.<sup>57</sup> Second, the administration could have officially designated Italy as a violator of the Anti-War Pact. The government apparently did not wish to do this for the reason that, while the United States, as a signatory of the Anti-War Pact, could charge another party with its violation, such action would have aligned this country against Italy, contrary to the intent of the Neutrality Act.

it was awaiting complete information. Cf. *New York Times*, December 12, 1935; *New York Herald Tribune*, December 7, 1935. This contrasted with the subsequent protest of the Swedish government against a similar offense by Italy. *New York Times*, January 3, 1936.

<sup>57.</sup> *Congressional Record*, August 21, 1935, p. 14395; *ibid.*, August 24, 1935, p. 14902. For an argument to the effect that this term may properly be interpreted to cover "raw materials," cf. R. L. Buell, "American Neutrality and Collective Security," *Geneva Special Studies*, Vol. VI, No. 6, 1935.

The Roosevelt policy differed from that of League states in the following respects:

1. The American embargo applied equally to Italy and Ethiopia, in contrast to the League embargo which applied to Italy alone.
2. Except for a few general statements expressing the hope that the Anti-War Pact would not be violated, the United States took no steps to prevent the Italo-Ethiopian dispute from leading to war.
3. The United States did not prohibit importation of Italian goods, as did the League powers.
4. The American government went considerably beyond the action of any League power in discouraging the development of trade in articles not embargoed by the League of Nations, such as oil.<sup>58</sup>

## EFFECTS OF ROOSEVELT POLICY

*A. On American Commercial Interests*

Few if any protests against the imposition of the arms embargo came from American arms manufacturers, apparently because—with the exception of airplanes—neither Italy nor Ethiopia relied on the American market for munitions. In October the Conference of Port Development of the City of New York, together with a number of exporters, protested that President Roosevelt's policy was a "serious blow" to American commerce. Several shipping lines announced they would continue relations with Italy, and a number of oil concerns, led by the Standard Oil Company of New Jersey, declared they could not suspend regular commercial business with Italy dating back many years.<sup>59-60</sup> To do so, they said, would involve loss of foreign business to competitors and create the risk that American investments in Italy might be confiscated. According to oil concerns, the government, if it wished to embargo oil exports, should do so legally and not engage in what one newspaper called "administrative blackmail."<sup>61</sup> Government officials justified this extra-legal policy on the ground that it was the intention of Congress not to allow war trade to come into existence, and that every effort should be made to restrict such a trade until Congress could reconvene and formulate a definite policy.

As a result of "moral pressure" by the administra-

58. The Anglo-Iranian Oil Company, which is controlled by the British government, continued to ship oil to Italy after the outbreak of war. According to Sir Samuel Hoare, its shipments decreased in 1935 (House of Commons speech, December 5, 1935). *New York Times*, December 6, 1935. But it was reported that this company shipped 42,000 barrels of fuel from Port Said to the Italian navy on November 19, 1935, in addition to its regular contract. *New York Times*, December 8, 1935.

59-60. Statement of W. C. Teagle, *New York Herald Tribune*, October 19, 1935.

61. *New York Herald Tribune*, November 27, 1935.

tion, a number of companies subsequently announced that they were making no shipments to Italy, and in December the Standard Oil Company of New Jersey declared that with one exception it had made no shipments which "might be called war business." It had merely continued normal trade.<sup>62</sup> Moreover, Henry Ford declined to fill an order for 800 trucks—as a result of which General Graziani complained that Italy had been injured in carrying out its plan to occupy Addis Ababa.<sup>63</sup>

In spite of these developments, exports to Italian Africa jumped from a monthly average of \$25,403 during 1934 to \$367,785 in October 1935 and \$583,735 in November—an increase of 3,148 per cent over November 1934. In particular, crude oil exports rose from 61,708 to 417,474 barrels, or almost 600 per cent during the same period;<sup>64</sup> petroleum exports to Italian Africa showed an increase of 1,186,304 per cent. On the other hand, total exports to Ethiopia declined from a monthly average of \$1,662 in 1934 to \$999 in October 1935. Judging from two months' figures, the "moral pressure" policy had not succeeded in keeping down belligerent trade.

#### B. On the League

Although the neutrality policy was inspired primarily by a desire not to "entangle" the United States, its incidental effect was to stimulate League action. Had the President been given discretionary power as he had desired, it may be doubted whether he would have applied a discriminatory embargo against Italy in advance of League findings. Uncertainty as to American action might then have been used to justify League indecision. In applying a mandatory embargo to both belligerents on the ground that war had come into existence, the President encouraged the League to reach the same conclusion;<sup>65</sup> but in doing so, the League was obliged by its constitution to pass judgment on the aggressor. Similarly, when the American government took the initiative in discouraging the export of non-embargoed goods to Italy, it virtually invited the League to follow suit. Not being obliged to pass judgment on the merits of the dispute, the American government, 3,000 miles away from Mussolini's wrath, could theoretically act against both belligerents with less fear of the consequences

62. *Ibid.*, December 6, 1935.

63. *Ibid.*, December 16, 1935.

64. *Christian Science Monitor*, November 26, 1935. The State Department warned against comparing October and November figures on the ground that the October figures included some September shipments, but this made the comparison even more striking.

65. Cf. *New York Times*, October 23, 1935.

than Britain or France. For the purposes of this dispute, the American "mandatory" policy possibly induced the League powers to adopt a more aggressive position than they would otherwise have done.

Nevertheless League members, confronted by this country's refusal to pass judgment on the dispute, raised the question whether the American government would prohibit the shipment of implements of war to League members should they become involved in war with Italy over sanctions. Although under the present Neutrality Act the President had discretion in the matter, he had given no indication of how he would use it. Among isolationists the belief was held that sanctionist powers and belligerents should be treated alike. This policy on the part of the United States, others insisted, would make the world safe for aggressors and, for example, give great encouragement to Nazi Germany should it decide to embark on war.

#### C. On relations with Italy

The Mussolini government did not seem to resent the American arms embargo, since it applied equally to both belligerents and since Italy did not normally purchase munitions in the United States.<sup>66</sup> Resentment was expressed, however, at the President's warning to Americans against traveling on belligerent ships. Since Ethiopia had no merchant marine and there was no danger that Ethiopian submarines would sink Italian vessels, this warning, according to Rome, constituted an effort to coerce Italy, rather than to prevent the United States from becoming involved in the conflict. When the administration attempted to impose a more general trade embargo, Italy was aroused, and Mussolini even intimated that an oil embargo would be a "hostile act." Thus a policy adopted by Congress ostensibly to keep the United States from being involved, may actually have the effect of incurring a belligerent's enmity.

According to some authorities, the United States could have legally discriminated against Italy on the ground that it had violated the Anti-War Pact.<sup>67</sup> Before doing so, however, the United States would have had to advance the view that Italy had violated this pact, which it was unwilling

66. Airplane engines excepted. During the first nine months of 1935 Italy imported cartridges to the value of \$638, while Ethiopia imported no munitions whatever. Under the League embargo it could purchase munitions from League members. State Department, *Press Releases*, October 5, 1935, p. 255.

67. In a communication to the League of Nations of December 5, the Egyptian government (which is a party to the Anti-War Pact but not to the League Covenant) declared: "The Kellogg pact deprives war of its arbitrary and sovereign character and makes it subject to criteria determining its nature . . . Even though it does not involve a strict obligation to take sanctions against an aggressor State, it releases the sig-

to do. For its part, Italy raised the question whether the application of an embargo by the United States did not violate the commercial treaty of February 26, 1871, which provides that no "prohibition should be imposed" on the "importation or the exportation of any such articles the produce or manufacture of the United States or of Italy, to or from the territories of the United States, or to or from the territories of Italy, which shall not equally extend to all other nations."<sup>68</sup> In answer, Article XIII of the treaty could be cited, which declares that a "state of war" between one party and a third power "shall not, except in the cases of blockade or contraband of war, affect the neutral commerce of the other." In other words, since Italy had gone to war with Ethiopia it could not insist on the free importation of war contraband from the United States.

As far as the texts of the Presidential proclamations were concerned, the United States did not discriminate between Italy and Ethiopia. But had the embargo been extended to articles which Italy really needed, the effect would have been to injure Italy more than Ethiopia, for Italy could have prevented Ethiopian purchases by its superior sea-power. On the other hand, had the United States allowed the free export of war materials, Italy would have gained much more than Ethiopia. Thus whatever commercial policy the United States applies in time of war, it inevitably works to the advantage of one or the other belligerent. That the Roosevelt policy tended to favor Ethiopia, generally regarded by American opinion as the victim of aggression, was due not to the Neutrality Act but to the accident of geography. Should the scene of war shift, the mandatory embargo might make the United States a silent partner of an imperialist power.

### THE NEW PROPOSALS

The experience of the Italo-Ethiopian war seemed to weaken the desire for discretionary legislation, which would enable the President to cooperate with the League. The hesitation of Britain and France concerning the oil embargo, together with the Hoare-Laval proposal to give Mussolini half of Ethiopia raised serious doubts in America as to the sincerity of the great powers. At the same time, supporters of mandatory legislation appeared less eager to prohibit all exports of contraband to

natory States from an undertaking not to have recourse to war . . . At the same time it makes any war legitimate which those States may deem desirable or necessary to wage in order to stop war of aggression and *a fortiori* any economic or financial action having the same object." *New York Times*, December 15, 1935.

68. W. M. Malloy, *Treaties of the United States*, p. 971.

belligerents—apparently because of the economic injury involved—and more willing to give discretion to the President in many matters so long as he did not discriminate between belligerents.

On January 3 Senator Key Pittman and Representative Sam D. McReynolds simultaneously introduced into the Senate and House the text of a new neutrality bill, supported by the administration.<sup>69</sup> It provides for continuation of the present embargo on the export of arms, ammunition and implements of war, with one important change: it requires the President to embargo all belligerents subsequently entering the war. In other words, the President must treat belligerents and League members applying military sanctions exactly alike.

Once an arms embargo is imposed, financial transactions with belligerent governments are automatically prohibited except for ordinary commercial credits and short-time obligations which the President may except; and American vessels are prohibited from carrying implements of war to belligerents.

A further provision of the administration bill authorizes the President at his discretion<sup>70</sup> to impose an embargo on the export of raw materials used in the conduct of war, with the exception of food and medical supplies, in excess of the average shipments to the countries concerned during a previous period of years to be determined by the President. In other words "normal" trade with belligerents may continue. Any embargoes "shall apply equally to all belligerents, unless the Congress, with the approval of the President, shall declare otherwise."

In addition the bill authorizes the President, in his discretion, to prohibit American vessels from carrying any embargoed raw materials and to proclaim that American nationals engaged in commercial transactions with belligerents do so at their own risk.<sup>71</sup> Moreover, no American national shall

69. S. Res. 3474; H. J. Res. 422.

70. I.e., "whenever during any war in which the United States is neutral, the President shall find that the placing of restrictions on the shipment from the United States to belligerent countries of certain articles or raw materials used in the manufacture of arms, ammunition or implements of war, or in the conduct of war, will serve to promote the security and preserve the neutrality of the United States, or to protect the lives and commerce of nationals of the United States, or that to refrain from placing such restrictions would contribute to a prolongation or expansion of the war, he shall so proclaim." The Senate Committee on Foreign Relations struck out the last clause about "prolongation of the war" on the ground that it might involve the United States with the League of Nations. *New York Times*, January 11, 12, 1936.

71. The act carried over from the Neutrality Resolution of August 31, 1935 the same general provisions relating to the use of American ports as base of supply; the prohibition of submarines from entering American waters; and the registration and licensing of munitions by the National Munitions Control Board.

travel on any belligerent vessel except at his own risk. If the President finds that the application of the Act would contravene treaty provisions, he may negotiate modifications in such treaties or give notice of termination. Thus the administration bill gives the President almost complete discretion in applying embargoes and waiving traditional neutral rights; the only absolute mandatory feature is that in imposing an embargo, he may not discriminate between belligerents. Neither this bill nor the more isolationist proposal gives any authority to impose even an arms embargo to prevent a prospective belligerent from accumulating huge war stocks in peace-time.

Proponents of "mandatory" legislation hailed the administration bill as a "great advance of historic importance." Nevertheless, Senators Nye and Clark and Representative Maverick introduced more severe legislation.<sup>72</sup> The Nye-Clark-Maverick bill would require the imposition of the arms embargo immediately on the outbreak of war and not merely "during the progress of any war" as under the present neutrality resolution and the proposed administration bill. It would fix the normal trade quotas to which belligerent trade may be limited at an average of the five years preceding the war—in contrast to the administration bill which would give the President power to prescribe the period. The Nye-Clark-Maverick bill authorizes the President to ask Congress to restrict even the "normal" trade, if desirable from the point of view of neutrality, and makes even more severe the prohibition against financial transactions with belligerents. Thus, while the administration only prohibits loans on behalf of belligerent governments, the Nye-Clark-Maverick bill would prohibit loans to belligerent nationals. Going further than the trade-at-your-own-risk doctrine found in the administration bill, the alternative measure partially embodies the "cash and carry" idea, namely that all American exports traversing zones of belligerent operations should be shipped solely at the risk of foreign purchasers. Unlike the administration proposal, the Nye-Clark-Maverick bill prevents American vessels or Americans on belligerent vessels from traveling in zones of belligerent operations.

From the isolationist point of view, the two bills are criticized on several grounds. First, contrary to the original demands of the isolationists, they do not stop all trade between the United States and the belligerents, but only so-called abnormal trade. To prevent evasion, it would also be necessary to impose quotas on neutral trade.<sup>73</sup>

72. S. Res. 3478; H.R. 9668.

Critics insist that the establishment of quotas on trade with probably the majority of countries in the world would involve interminable administrative difficulties and would establish a principle conflicting with Secretary of State Hull's concept of economic internationalism. Moreover, "normal" trade would certainly include goods regarded as contraband by belligerents, and thus be subject to search and seizure, as well as submarine attack. The "normal trade" doctrine therefore threatens to involve the United States in the same type of diplomatic controversy which arose between 1914 and 1917. The prohibition against American vessels traveling in war zones will not meet the desired end because during the World War the greater part of American goods were transported in foreign vessels. The seizure of such goods, and the death of Americans as a result of submarine attack, even following a State Department warning that such travel was at the citizen's risk, would inevitably arouse certain sections of American opinion and lead to a demand for intervention.<sup>74</sup> That the "isolationist" Senators who have led the fight for mandatory sweeping embargoes should now accept the doctrine of "normal trade" is regarded as evidence that the pressure of economic interests cannot be withheld even by the most extreme advocates of isolation.

From the international point of view, both the administration and the "isolationist" bills authorize the President virtually to waive the traditional doctrine of the freedom of the seas. Consequently the President will have specific power not to protest when the League blockades an aggressor state. The power to impose limited embargoes on raw materials may be used to cooperate with complete League embargoes. So long as League members succeed in keeping out of armed hostilities with an aggressor while applying sanctions, they may continue to trade freely with the United States. But should the imposition of sanctions involve League members in war with the aggressor, then the arms embargo must be automatically extended to them,<sup>75</sup> and they may be confronted by a partial raw materials embargo.

Should Nazi Germany embark on aggressive war in Central Europe, League members might apply sanctions against Germany, which presum-

73. The administration bill authorizes such quotas.

74. Last August Senator Borah declared that he did not think American citizens should be permitted to travel at all on a belligerent ship while this country was neutral. "It is the nation which is most vitally concerned and no citizen should be permitted to place himself in a place of peril, all the evil consequences of which cannot be confined to the citizen." *Congressional Record*, August 21, 1935, p. 14396.

75. Congress may, however, authorize discrimination.

ably would result in armed hostilities. In such a case the League members, for example Britain and France, could not buy any arms or implements of war in the United States, for the embargo would be extended automatically to them. On the other hand, should the French and British navies wish to seize American exports destined to Germany, they could do so, knowing that the President of the United States had the power to acquiesce in such seizure. The President on the other hand, could impose embargoes on the shipment of raw materials in excess of "normal" quantities provided they applied to all belligerents. The imposition of such embargoes between 1914 and 1917 would probably have led to a German victory, and in the future their imposition under similar circumstances might have the same results. Also, the imposition of American embargoes against Britain, should it become involved in war with Italy as a result of League sanctions, would generally be regarded as aligning the United States on the side of Fascist imperialism. On the other hand, the President under the bill is under no obligation to impose an embargo on raw materials; and should he happen to be in sympathy with League sanctionist countries, he would presumably refrain from exercising his powers if this would injure the sanctionist states more than the aggressor.

Nevertheless, it is pointed out that the provision that an arms embargo must apply equally to all belligerents might seriously embarrass the United States both in Latin America and the Orient. Should China attempt to drive Japan out of its territory by force, the United States would be obliged to impose an embargo on arms exports to both parties. Such an embargo would not injure Japan, which is self-sufficient in munitions, but would seriously damage China. Should Brazil or Canada become similarly involved in war with an Asiatic or a European power, the American embargo would have the same consequences. In all of these cases the mandatory embargo would assist the powerful aggressor state. Apart from ethical considerations, such a policy would alienate the European powers whose support the United States may eventually want in the Far East. Moreover in view of the uncertainty as to what the United States will actually do in the event of war, some European states are already considering the development of raw materials on which they can rely in time of war. France may turn to the Russian market, and Britain may increase its cotton purchases from Brazil at the expense of the United States.<sup>76</sup> Thus the new neutrality policy,

76. Cf. *New York Times*, January 6, 1936.

critics contend, will mean the sacrifice of American foreign trade and merchant marine, despite present efforts to protect the "normal" trade.

The administration bill implies that an embargo may be lifted against a victim of aggression with the consent of Congress—which might be forthcoming should circumstances arise demonstrating the injustice of the mandatory policy. Nevertheless, at the present time the rest of the world has no assurance that Congress will consent to any discrimination, and it continues to be in the dark except with regard to the arms embargo as to what course the President will actually follow should a general war break out. The President under the bill has discretion to waive the old freedom of the seas doctrine; and he may or may not impose raw materials embargoes. But he has given no indication as to how he would exercise his discretion, nor has the United States adopted any positive policy upon which the rest of the world may count.<sup>77</sup> Critics may insist, therefore, that the new neutrality policy of the United States will actually obstruct the development of a system of international sanctions. In their opinion, the least the American government can do is not to impede the efforts of other states to do away with the institution of war. This cannot be done until Congress gives the President power to discriminate against an aggressor state in the imposition of sanctions, and until the United States formally undertakes to "consult" with all international agencies for the purpose of seeking a pacific settlement of a dispute.

Proponents of the present legislation insist that the imposition of mandatory embargoes will assist in hastening the termination of a war. But if the mandatory embargo deprives a victim of aggression of means of defense, it will result in exactly the same type of injustice as did the Hoare-Laval proposal, which offered half of Ethiopia to Mussolini. In his annual message of January 3, 1936 the President openly denounced military dictators but, at the same time, lent his influence to so-called neutrality legislation which in many cases will work greatly to the advantage of the aggression of such dictatorships. Critics assert that if it is the policy of the United States to terminate wars by

77. Both administration and "isolationist" bills are admittedly temporary. The former states that "except to the extent that the law and rules of neutrality are or may be temporarily or provisionally modified by or under authority of this Act, the United States reserves and reaffirms its rights under international law as it existed prior to August 1, 1914." The latter states that its neutrality proposals are necessary "in the absence of international agreements defining the rights and duties of states in time of war, and pending the initiation and conclusion of such agreements as will insure peace, justice, and equality among nations."

giving aggressors everything they want short of American territory, then it should say so openly.

Still another group doubts the wisdom of any neutrality legislation. Pointing to the surrender of the isolationists with regard to normal trade, it believes that no effective legislation can be enforced because of the pressure of economic interests, and that Congress will consequently adopt some ineffective legislation which will merely lull the public into a false sense of security. Some members of this group do not believe that the United States goes to war because of trade but because of an intense feeling concerning the justice of a given cause. President Wilson was sincere in stating in August 1914 that "every man who really loves America will act and speak in the true spirit of neutrality, which is the spirit of impartiality and fairness and friendliness to all concerned."<sup>78</sup> But within several years the President declared it was necessary to go to war to make the world safe for democracy. His belief may have been mistaken, but it was none the less real.<sup>79</sup>

Under present-day conditions an attitude of "impartiality" on the part of Americans toward war is far more difficult than in 1914. In the first place, American public opinion, which literally forced the government to conclude the Anti-War Pact, believes that war is a great wrong, and if the State Department refrains from condemning a country which goes to war unjustly, large sections of American opinion will not hesitate to do so. This lack of "impartiality" is likely to be accentuated by the fact that under present world conditions war is bound up with social systems, such as Fascism and Communism, which are more repugnant to large sections of Americans than was the old German Empire. So long as Americans do not control their feelings—as witness public denunciations of Hitler and Mussolini—then it is inevitable, according to these critics, that the United States will eventually enter a prolonged general war.<sup>80</sup>

Finally, opponents of neutrality legislation challenge the very basis of the idea that it is better for the United States to surrender its treaty rights than to defend such rights, no matter how outrageous the violation, simply because a protest might involve the risk of war. Such an attitude, it is contended, would undermine the basis of law

and order in internal affairs; when applied to foreign policy, it would reduce the United States to the rôle of a secondary power. If this country is too timid to protect its legitimate international interests, American individuals and investments abroad will be jeopardized and eventually even the United States itself would be exposed to attack.

It is pointed out that the same Congress which enacted the Neutrality Act approved appropriations to strengthen the military and naval establishment far beyond what is needed to defend the continental United States from invasion. These critics of neutrality legislation assert that it is probable that Congress will demand that such forces be used to defend American interests when they are injured by a foreign state.

In theory the only logical position for the United States is to take a responsible part in creating an international organization which will prevent war from coming into existence. Owing to the attitude of American "isolationists" and to the lack of sincerity on the part of the great European powers, however, this policy seems impossible at present. It is argued that the only remaining alternative is for this country to build up a powerful army, air force and navy for the purpose of protecting its interests, while taking its chances at being drawn into a new war.

The new isolationists reply that there is no foreign interest important enough to run the risk of involving the United States in war. If necessary, all of the foreign interests of the United States should be sacrificed to avert this danger. America should resort to force only to resist continental invasion, and should assume an attitude of indifference toward the fate of the outside world. International cooperation is impossible because the European powers wish to use the League purely for selfish interests.

Others point out that the neutrality proposals are admittedly temporary. In their view, if the League members succeed in restoring peace in Africa, and in particular, if France and Britain give some concrete evidence of their desire to meet the underlying needs of the "have not" countries, the attitude of the American Congress will change, and it will consent to a policy of discriminating against an aggressor.

the new "neutrality," signed a petition urging the President to champion publicly the principles of religious liberty in connection with the persecution of Catholics in Mexico. *New York Times*, July 17, 1935.

78. *Foreign Relations, 1914*, cited, p. 551.

79. Millis, "Never Again?" cited.

80. Two hundred Congressmen, probably all of whom favor